

B26 (Official Form 26) (12/08)

## United States Bankruptcy Court

District of Nevada

In re ROGER DAYLCOCase No. 10-51372-6WZ

Debtor

Chapter 11

**PERIODIC REPORT REGARDING VALUE, OPERATIONS AND PROFITABILITY OF  
ENTITIES IN WHICH THE ESTATE OF [NAME OF DEBTOR]  
HOLDS A SUBSTANTIAL OR CONTROLLING INTEREST**

This is the report as of 7/31/10 on the value, operations and profitability of those entities in which the estate holds a substantial or controlling interest, as required by Bankruptcy Rule 2015.3. The estate of [Name of Debtor] holds a substantial or controlling interest in the following entities:

Name of Entity	Interest of the Estate	Tab #
<u>EASYMARK LLC</u>	<u>50%</u>	
<u>DBA GATEWAY INN</u>		

This periodic report (the "Periodic Report") contains separate reports ("Entity Reports") on the value, operations, and profitability of each entity listed above.

Each Entity Report shall consist of three exhibits. Exhibit A contains a valuation estimate for the entity as of a date not more than two years prior to the date of this report. It also contains a description of the valuation method used. Exhibit B contains a balance sheet, a statement of income (loss), a statement of cash flows, and a statement of changes in shareholders' or partners' equity (deficit) for the period covered by the Entity Report, along with summarized footnotes. Exhibit C contains a description of the entity's business operations.


**THIS REPORT MUST BE SIGNED BY A REPRESENTATIVE OF THE TRUSTEE OR DEBTOR IN POSSESSION.**

The undersigned, having reviewed the above listing of entities in which the estate of [Debtor] holds a substantial or controlling interest, and being familiar with the Debtor's financial affairs, verifies under the penalty of perjury that the listing is complete, accurate and truthful to the best of his/her knowledge.

B26 (Official Form 26) (12/08) – Cont.

2

Date: 8/17/10

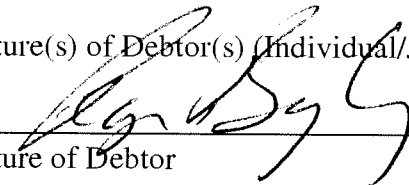
  
Signature of Authorized Individual

Roger Baylora  
Name of Authorized Individual

50% Owner  
Title of Authorized Individual

[If the Debtor is an individual or in a joint case]

Signature(s) of Debtor(s) (Individual/Joint)

  
Signature of Debtor

\_\_\_\_\_  
Signature of Joint Debtor

335 WEST HUMBOLDT ST.  
RENO, NEVADA 89502  
**EXHIBIT A**  
Valuation Estimate for [Name of Entity]

**EXHIBIT A**EASYMARIC, LLC

[Provide a statement of the entity's value and the value of the estate's interest in the entity, including a description of the basis for the valuation, the date of the valuation and the valuation method used. This valuation must be no more than two years old. Indicate the source of this information.]

EASYMARIC, LLC owns the Real Property at 1275 Stardust St, Reno, Nr. This property consists of 100 Motel Rooms (furnished), 2 Apartments, 1 BAR (Leased) of approx 1500 sq ft, 1 Banquet or meeting room of approx 1500 sq ft and a Restaurant (Equipment included) of approx 4500 square feet. All improvements sit on a lot of approx 2.5 Acres. The Nye County Assessor appraised the the property at \$2,000,000 in the fall of 2008.


EASYMARIC LLC has approx \$6,000 in Cash as of 7/31/10. EASYMARIC mortgage with accrued interest as of 7/31/10 is approximately 1,020,000. This leaves a net equity of approx mately \$986,000. My 50% share is worth \$493,000.

B26 (Official Form 26) (12/08) – Cont.

4

**Exhibit B**

**Financial Statements for [Insert Name of Entity]**

 EASY MARK, LLC

B26 (Official Form 26) (12/08) – Cont.

5

**Exhibit B-1**

**Balance Sheet for [Name of Entity]** Easymark, LLC

As of [date]

[Provide a balance sheet dated as of the end of the most recent six-month period of the current fiscal year and as of the end of the preceding fiscal year. Indicate the source of this information.]

*see Attached Documents*

**GATEWAY MOTEL****Balance Sheet** \* (Easymark, LLC)  
**July 31, 2010**

B-1

**ASSETS****Current Assets**

Cash in Bank - Checking	\$	(1,223.86)
Cash in Bank - Checking		1,852.80
Cash in Till-Hotel		400.00
Undeposited Cash on Hand		2,809.67
Accounts Receivable		0.10
Cash in Savings - US Banks		<u>4,311.47</u>

**Total Current Assets**

\$ 8,150.18

**Fixed Assets**

Furniture & Equipment	62,102.98
Gaming Equipment	3,000.00
Vehicles	103,141.24
Leasehold Improvements	4,967.72
Accum. Depr. - Furn. & Equip	<u>(133,959.00)</u>

**Total Fixed Assets**

39,252.94

**Other Assets****Total Assets**\$ 47,403.12

\* This note is added by counsel for Debtor and is unverified. Debtor informs Counsel that this Balance Sheet does not yet reflect the value of the Gateway real estate, which Debtor conveyed from his Living Trust to Easymark, LLC on or about April 8, 2010. Debtor's Living Trust still owns 50% of Easymark, LLC.. Debtor informs Counsel that this error will be corrected as soon as the balance sheet is updated.

**GATEWAY MOTEL (Easymark, LLC)**  
**Balance Sheet**  
**July 31, 2010**

B-1

**LIABILITIES AND EQUITY**

**Current Liabilities**

Accrued Payroll Taxes	\$ 1,298.31
Room Tax Collected	357.62
Deposits Payable	<u>25,590.00</u>

**Total Current Liabilities** \$ 27,245.93

**Long Term Liabilities**

Note Payable - Wells Fargo	48,748.10
N/P-Chrysler Financial	<u>14,688.11</u>

**Total Long Term Liabilities** 63,436.21

**Equity**

Capital - Baylocq	5,190.93
Capital - Bjorlin	9,331.34
Draw - Baylocq	(96,597.14)
Draw - Bjorlin	(79,000.00)
Draw - April Bjorlin	(5,596.17)
Retained Earnings	91,663.07
Current Income (Loss)	<u>31,728.95</u>

**Total Equity** (43,279.02)

**Total Liabilities & Equity** \$ 47,403.12

B26 (Official Form 26) (12/08) – Cont.

6

**Exhibit B-2**

**Statement of Income (Loss) for [Name of Entity]** Easymark, LLC  
Period ending [date]

[Provide a statement of income (loss) for the following periods:

- (i) For the initial report:
  - a. the period between the end of the preceding fiscal year and the end of the most recent six-month period of the current fiscal year; and
  - b. the prior fiscal year.
- (ii) For subsequent reports, since the closing date of the last report.

Indicate the source of this information.]

*see attached documents*



**GATEWAY MOTEL** (Easymark, LLC) B-2  
**Income Statement**  
**For the Period Ended July 31, 2010**

	1 Month Ended Jul. 31, 2010	Pct	7 Months Ended Jul. 31, 2010	Pct
<b>Revenue</b>				
Motel Revenue	\$ 26,386.06	94.54	\$ 211,554.64	87.60
Rental Income	1,000.00	3.58	27,000.00	11.18
Phone Revenue	488.24	1.75	2,712.86	1.12
Late Charges Income	0.00	0.00	55.00	0.02
Other Income	<u>35.03</u>	<u>0.13</u>	<u>179.59</u>	<u>0.07</u>
<b>Total Revenue</b>	27,909.33	100.00	241,502.09	100.00
<b>Operating Expenses</b>				
Auto Reimbursement	0.00	0.00	380.00	0.16
Bank Charges	433.91	1.55	2,142.49	0.89
Cash Over/Short	0.00	0.00	377.65	0.16
Employee Benefits	1,947.50	6.98	10,627.65	4.40
General Supplies - Hotel	0.00	0.00	1,830.15	0.76
Insurance Expense	1,754.14	6.29	14,810.30	6.13
Interest Expense	0.00	0.00	2,928.97	1.21
License & Taxes-Hotel	0.00	0.00	680.33	0.28
License & Taxes - Other	25.35	0.09	295.60	0.12
License & Taxes - Property	688.69	2.47	1,218.55	0.50
Motel Supplies	102.32	0.37	6,553.50	2.71
Office Expense	178.13	0.64	2,540.95	1.05
Payroll	5,658.53	20.27	32,775.45	13.57
Payroll Taxes	334.79	1.20	3,503.77	1.45
Pool Repairs & Upkeep	0.00	0.00	91.39	0.04
Professional Fees	0.00	0.00	1,105.00	0.46
Rent Expense	6,938.00	24.86	54,938.00	22.75
Repair & Maintenance-Motel	1,265.54	4.53	8,934.90	3.70
Security Expense	0.00	0.00	360.02	0.15
Telephone/Cable-Motel	1,979.40	7.09	13,225.64	5.48
Utilities-Motel	6,256.92	22.42	50,350.60	20.85
Utilities - Restaurant	<u>0.00</u>	<u>0.00</u>	<u>102.23</u>	<u>0.04</u>
<b>Total Expenses</b>	<u>27,563.22</u>	<u>98.76</u>	<u>209,773.14</u>	<u>86.86</u>
<b>Net Income (Loss)</b>	\$ <u>346.11</u>	<u>1.24</u>	\$ <u>31,728.95</u>	<u>13.14</u>

B26 (Official Form 26) (12/08) – Cont.

7

**Exhibit B-3**

**Statement of Cash Flows for [Name of Entity]** (Easymark, LLC)

For the period ending [date]

[Provide a statement of changes in cash flows for the following periods:

- (i) For the initial report:
  - a. the period between the end of the preceding fiscal year and the end of the most recent six-month period of the current fiscal year; and
  - b. the prior fiscal year.
- (ii) For subsequent reports, since the closing date of the last report.

Indicate the source of this information.]

*See attached Document*

Easymark, LLC

**GATEWAY MOTEL**  
**Income Statement**  
**For the Period Ended July 31, 2010**

B-3

	1 Month Ended Jul. 31, 2010	1 Month Ended Jul. 31, 2009
<b>Revenue</b>		
Motel Revenue	\$ 26,386.06	\$ 42,310.03
Rental Income	1,000.00	1,500.00
Phone Revenue	488.24	433.24
Late Charges Income	0.00	65.00
Other Income	<u>35.03</u>	<u>0.08</u>
<b>Total Revenue</b>	<b>27,909.33</b>	<b>44,308.35</b>
<b>Operating Expenses</b>		
Bank Charges	433.91	518.19
Cash Over/Short	0.00	(9.00)
Credit Cards - Roger	0.00	966.73
Credit Cards - April	0.00	1,187.72
Employee Benefits	1,947.50	1,689.75
General Supplies - Hotel	0.00	368.97
Insurance Expense	1,754.14	1,942.04
Interest Expense	0.00	593.84
License & Taxes - Other	25.35	0.00
License & Taxes - Property	688.69	0.00
Motel Supplies	102.32	1,239.22
Office Expense	178.13	3.18
Payroll	5,658.53	3,991.50
Payroll Taxes	334.79	744.48
Pool Repairs & Upkeep	0.00	811.35
Rent Expense	6,938.00	12,000.00
Repair & Maintenance-Motel	1,265.54	1,616.18
Telephone/Cable-Motel	1,979.40	2,134.36
Utilities-Motel	<u>6,256.92</u>	<u>8,362.13</u>
<b>Total Expenses</b>	<b><u>27,563.22</u></b>	<b><u>38,160.64</u></b>
<b>Net Income (Loss)</b>	<b>\$ <u>346.11</u></b>	<b>\$ <u>6,147.71</u></b>

B26 (Official Form 26) (12/08) – Cont.

8

**Exhibit B-4**

**Statement of Changes in Shareholders'/Partners' Equity (Deficit) for [Name of Entity]  
period ending [date] Easymark, LLC**

[Provide a statement of changes in shareholders'/partners equity (deficit) for the following periods:

- (i) For the initial report:
  - a. the period between the end of the preceding fiscal year and the end of the most recent six-month period of the current fiscal year; and
  - b. the prior fiscal year.
- (ii) For subsequent reports, since the closing date of the last report.

Indicate the source of this information.]

*See Attached Document*

**GATEWAY MOTEL****Balance Sheet (Easymark, LLC)**  
**July 31, 2010**

B-4

**ASSETS**

	As of Jul. 31, 2010	As of Jul. 31, 2009
<b>Current Assets</b>		
Cash in Bank - Checking	\$ (1,223.86)	\$ 2,994.12
Cash in Bank - Checking	1,852.80	0.00
Cash in Till-Hotel	400.00	400.00
Undeposited Cash on Hand	2,809.67	1,912.83
Accounts Receivable	0.10	0.10
Cash in Savings - US Banks	<u>4,311.47</u>	<u>10,399.70</u>
<b>Total Current Assets</b>	<b>\$ 8,150.18</b>	<b>\$ 15,706.75</b>
<b>Fixed Assets</b>		
Furniture & Equipment	62,102.98	62,102.98
Gaming Equipment	3,000.00	3,000.00
Vehicles	103,141.24	103,141.24
Leasehold Improvements	4,967.72	4,967.72
Accum. Depr. - Furn. & Equip	<u>(133,959.00)</u>	<u>(133,959.00)</u>
<b>Total Fixed Assets</b>	<b>39,252.94</b>	<b>39,252.94</b>
<b>Other Assets</b>		
<b>Total Assets</b>	<b>\$ <u>47,403.12</u></b>	<b>\$ <u>54,959.69</u></b>

**GATEWAY MOTEL****Balance Sheet****July 31, 2010 (Easymark, LLC)**

B-4

**LIABILITIES AND EQUITY**

	As of Jul. 31, 2010	As of Jul. 31, 2009
<b>Current Liabilities</b>		
Accrued Payroll Taxes	\$ 1,298.31	\$ 3,602.31
Room Tax Collected	357.62	266.22
Deposits Payable	<u>25,590.00</u>	<u>25,155.00</u>
<b>Total Current Liabilities</b>	\$ 27,245.93	\$ 29,023.53
<b>Long Term Liabilities</b>		
Note Payable - Wells Fargo	48,748.10	49,643.47
N/P-Chrysler Financial	<u>14,688.11</u>	<u>20,628.43</u>
<b>Total Long Term Liabilities</b>	63,436.21	70,271.90
<b>Equity</b>		
Capital - Baylocq	5,190.93	8,884.11
Capital - Bjorlin	9,331.34	11,284.12
Draw - Baylocq	(96,597.14)	(82,509.00)
Draw - Bjorlin	(79,000.00)	(79,000.00)
Draw - April Bjorlin	(5,596.17)	0.00
Retained Earnings	91,663.07	89,289.13
Current Income (Loss)	<u>31,728.95</u>	<u>7,715.90</u>
<b>Total Equity</b>	<u>(43,279.02)</u>	<u>(44,335.74)</u>
<b>Total Liabilities &amp; Equity</b>	\$ <u>47,403.12</u>	\$ <u>54,959.69</u>

B26 (Official Form 26) (12/08) – Cont.

9

## Exhibit C

Description of Operations for [name of entity]EASY MARK, LLC

[Describe the nature and extent of the estate's interest in the entity.]

Describe the business conducted and intended to be conducted by the entity, focusing on the entity's dominant business segment(s). Indicate the source of this information.]

Easy mark LLC operates the Gateway Inn. It rents predominantly its 100 Rooms on a Weekly and Monthly Basis. Its 2 Apts are occupied by employees. The Bar is leased on a month to month basis currently to Square One Enterprises for \$2,000 a month. The restaurant is ~~rented~~ leased to John Rose for \$3,000 a month. However due to Economic Recessionary Period, we have had to reduce the rent to \$1,000 a month or lose our tenant to default. With the Huge VAcancy factor in commercial property in Reno, we feel \$1,000 is better than nothing and hope business will improve so that we may obtain higher rents.